

Some articles are very difficult to be obtained at any price, especially blankets and shoes.

The former cannot be had, nor is there any material out of which they can be made, as all the carpeting in the market was purchased last year. Arrangements have been made to supply cotton comforts *in lieu* of them; and although not so good as blankets for camp service, it is hoped they will answer at least to prevent suffering.

In regard to shoes, there are materials enough in the State to supply all that are required for our own troops and citizens, at reasonable prices, provided the agents of the Confederate States do not come in competition with us, and speculators can be prevented from taking them out of the State.

On account of the increased cost of clothing, the commutation allowed by law would not more than pay half the expenses of the State for clothing her troops; but by an agreement I made with the Quarter Master General of the Confederate States, he pays the State the actual cost of the clothing furnished. This arrangement is much more simple and a great deal better for the State.

The Confederate States have already paid for clothing nine hundred and three thousand ninety-six dollars and ninety-five cents (\$903,096 95,) which has been returned to the State Treasury. A large amount is still due.

The mules, wagons and harness have been sold to the Confederate States, and twenty thousand dollars (\$20,000) been received on account. A balance on this account is still due.

The Confederate States have agreed to pay the State a *per diem* of forty cents for the use of each horse furnished to the two regiments of cavalry and the sum of one hundred and fifty-four thousand, five hundred and thirty-nine dollars and eighty cents (\$154,539 80,) has already been paid by them and returned to the State Treasury.

The sum of eight thousand and six dollars (\$8,006,) has also been allowed on account of horses killed in action.

The State will have to keep these two regiments supplied with horses.